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HOW TO DO BUSINESS WITH THE FEDERAL GOVERNMENT - 101

**Presented at:
13th Annual OSDBU
Directors Conference
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Policy Statement

- It is the policy of the United States, as stated in the Small Business Act, that “all” small businesses have the maximum practicable opportunity to participate in providing goods and services to the government.

SBA Legislation

To ensure that small businesses get their fair share, SBA:

- negotiates annual procurement goals with each federal agency;
- reviews each agency's results; and
- is responsible for ensuring that the statutory government-wide goals are met.

Government Wide Statutory Goals

- Small business - 23 % of prime contracts
- SDB - 5 % of prime & subcontracts
- WOSB - 5 % of prime & subcontracts
- HUBZone - 3 % of prime
- SDVOSB - 3 % of prime & subcontracts



Getting Started - Basic Questions



1. Which government agencies buy my products and services?
2. How do I get in touch with them?
3. How do I market them?

Getting Started - Basic Answers

Answer to Question #1 (who buys what I sell)

- Information technology - every federal agency buys it!
- Ship parts, plane parts or space vehicle parts
 - look at websites of your targeted market, such as DoD, NASA, NAVY, etc.

Getting Started – Basic Answers

Answer to Question #1 (who buys what I sell)

- Review agency publications:
 - Forecast of Procurement/Contracting Opportunities
 - Subcontracting Directory
 - “How to” publications (if the agency has one)

Getting Started - Basic Answers

Answer to Question #2 - Getting in Touch

- Check out these websites:
 - www.fpdc.gov - Identify who buys your product or service (hint: know your NAICS code)
 - www.fedbizopps.gov - Register - get notices of government requirements for your NAICS code

Getting Started - Basic Answers

Answer to Question #2 - Getting in Touch

More websites:

- www.fedbid.com - Register - Compete on-line for government requirements in your NAICS code
- www.mbda.gov - Register - Phoenix Database to get free contract referrals.

Getting Started – Basic Answers

Answer to Question #2 – Getting in Touch

More websites:

- <http://pro-net.sba.gov> Register – SBA's referral database for Contracting Officers.
- <http://web.sba.gov/subnet> – Prime Contractors post subcontracting opportunities here

Getting Started – Basic Answers

Answer to Question #2 – Getting in Touch

More websites:

- www.ccr.gov – Register – You have to be registered to get paid!

Getting Started - Basic Answers

Answer to Question #3 - How do I market them?

- Remember, the government is decentralized. Most agencies consist of numerous buying activities. (Example: Justice has 9 bureaus; Treasury has 8 bureaus; DOT has 10 bureaus)
- Learn what each targeted agency bureau does and how they spend their money!

Getting Started - Basic Answers

Answer to Question #3 - How do I market them?

- Participate in:
 - Targeted Outreach Activities
 - Local Conferences/Trade Shows
- Focus on 3-5 agencies & allow 18-24 months for relationship building.

Getting Started – Basic Answers

Answer to Question #3 – How do I market them?

Federal Agency One-On-One Counseling Sessions

- Treasury Vendor Outreach Sessions
www.treas.gov/sba, click on Outreach Activities
- Department of Justice Monthly Counseling Sessions
www.usdoj.gov/jmd/osdbu/

Getting Started – Basic Answers

Answer to Question #3 – How do I market them?

- U.S. Department of Agriculture Vendor Outreach Program – www.usda.gov/osdbu/
- U.S. Department of Labor
www.dol.gov/osbp/regs/procurement.htm
- U.S. Department of Health & Human Services
Contact Ruth Lewis for more information at ruth.lewis@hhs.gov

Getting Started – Basic Answers

Answer to Question #3 – How do I market them?

- Department of Veterans Affairs
www.va.gov/osdbu/conference/register.htm
- U.S. Department of Housing and Urban Development
www.hud.gov/offices/osdbu/index.cfm

Getting Started – Basic Answers

Answer to Question #3 – How do I market them?

Develop a Marketing Plan/Strategy

- Subcontracts
- Prime Contracts
- Teaming/Joint Ventures
- Mentor Protégé Agreements
- Pre-existing Contract Vehicles

Business Performance - Top Ten Federal Agencies for FY 2001

<u>Rank/Agency</u>	<u>Dollars</u>
1. Department of Defense	\$142,764,938
2. Department of Energy	\$ 18,598,697
3. General Services Administration	\$ 10,656,575
4. Natl. Aeronautics and Space Admin	\$ 11,232,435
5. Department of Veterans Affairs	\$ 5,838,519
6. Department of Health & Human Svcs.	\$ 4,840,797
7. Department of Justice	\$ 4,837,722
8. Department of Agriculture	\$ 3,811,840
9. Department of the Treasury	\$ 2,489,626
10. Department of Transportation	\$ 2,489,479

Source: Small Business Administration Preliminary FY 2001 Goaling Report date 2/8/02

% of Small Business Prime Contracts

<u>Rank/Agency</u>	<u>Dollars</u>
1. Department of Transportation	54.60%
2. Department of Agriculture	49.50%
3. General Services Administration	43.70%
4. Department of the Treasury	34.80%
5. Dept of Health and Human Services	31.70%
6. Dept of Justice	30.50%
7. Dept of Veterans Affairs	29.70%
8. Department of Defense	20.50%
9. NASA	14.50%
10. Department of Energy	2.90%

Source: Small Business Administration Preliminary FY 2001 Goaling Report date 2/8/02



Getting Started

Key Sources of Assistance

- SBA - Locate your local SBA Office
- PTAC - Procurement Technical Assistance Center
- OSDBU - Office of Small & Disadvantaged Business Utilization
- SBDC - Small Business Development Center



Basic Information

There are two types of contracting opportunities:

- Prime Contracting - you hold the contract
- Subcontracting - a larger company holds the contract and you get to work on a piece of it

Basic Information (continued)

After consideration of required sources (read FAR Part 8), the contracting officer has 2 choices:

1. use a pre-existing contract (FSS, GWAC, Department-wide contract)
2. use open market procedures

Basic Information (continued)

Key Tip:

If what you provide is listed on a GSA FSS, then get on the schedule!

Why? because it is a faster method of buying

Research, find out what pre-existing vehicles are used by the agencies you have targeted.

Basic Information (continued)

\$ amounts & methods of procurement you should know about:

- Up to \$2,500 - Micropurchase (credit card)
- \$2501-\$100,000 - Simplified Acquisition Procedures (SAP)
- Over \$100,000 - Formal Contracting Procedures

Note: under commercial items test - \$5,000,000 can be considered SAP

Small Business Procurement Programs

- 8(a) Program set-aside
- HUBZone Program set-aside
- Traditional Small Business set-aside
- Mentor-Protégé Programs
- Full & Open competition tools
 - SDB evaluation factor-prime proposes SDB targets
 - Subcontracting
 - HUBZone Price Evaluation Preference (10%)
 - SDB Price Evaluation Adjustment (10%)

Small Business Procurement Programs

Currently, there is no way to limit the competition to:

- WOSB
- SDB
- SDVOSB
- VOSB

Therefore, marketing is critical!

The “Model” Small Business Firm

Working in the federal marketplace understands:

- Core competencies
- Marketing and relationship building
- Schedules/Multiple award contracts
- Open Market procurement (FEDBI ZOPPS)
- Prime contracting
- Subcontracting

The “Model” Small Business Firm

Equipped to do business with the Government:

- Accepts the government purchase card (Visa or Mastercard)
- Has good marketing materials
- Has a niche (What's yours?)
- Has resources (people, equipment)
- Is web savvy
- Is registered in Government pre-existing databases (Pro-Net, CCR)

In Summary What Really Works...

- Relationships
- Networking
- Multiple Contracting Vehicles
- Continuous Marketing
- Being Prepared
- Get Involved
- Past Performance
- Share Information
- Patience
- Persistence

Home work always comes before success in the dictionary & Small Business Procurement!